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SUBJECT: NEW NOVA SCOTIA ENERGY MINISTER HANDLING GEORGES BANK
DRILLING ISSUE

REF: 08 HALIFAX 0073

¶1. SUMMARY: The Hon. Barry Barnet is the new energy minister for Nova Scotia following a provincial cabinet shuffle. Barnet now inherits the Georges Bank drilling file - an issue with significant political overtones. END SUMMARY.

¶2. The province of Nova Scotia has a new energy minister, the Hon. Barry Barnet, a 10-year veteran of the provincial legislature. Nova Scotia Premier Rodney MacDonald transferred Barnet from his previous health promotion portfolio in a January 7 cabinet shuffle. (Barnet replaces former provincial energy minister Richard Hurlburt, who is now the province's new services minister.) Barnet's move to energy comes at a time when the province is preparing to make a decision on whether to support offshore oil and gas drilling on Georges Bank or to continue with a drilling moratorium.

¶3. As reported reftel, the Bank is a lucrative offshore area located 100 miles off Cape Cod in the Gulf of Maine and is shared by the United States and Canada. In addition to exploitable fish stocks, the area also contains an estimated one billion barrels of oil and 5.3 trillion cubic feet of natural gas. Because of anti-drilling sentiment from U.S. and Canadian environmentalists and fishing interests, both countries have had drilling moratoria on their respective sides since 1988. Canada's current moratorium will expire in 2012 and the debate has already started on how to deal with the issue.

¶3. The current GoNS policy is to support research on the pluses and minuses of drilling. To that end, the province has provided funding to a group examining the socio-economic aspects of drilling and is funding a scientific review of the environmental consequences. While the conclusions of these two studies will be non-binding on the provincial government, they will help policy-makers in deciding on one of three options: let the moratorium expire, enact another moratorium, or request a public review panel to make a recommendation on how to proceed.

¶4. COMMENT: Given that political watchers are predicting a provincial election in Nova Scotia sometime this year we can expect to see Minister Barnet steer away from this contentious issue and just allow the research to go on quietly behind the scenes. After all, the moratorium legislation sets June 2010 as the deadline for the province to chose what it wants to do. By then, the election probably will have been long wrapped up and the political consequences of each option easier to determine. END COMMENT

¶5. Additional biographic material on Minister Barnett is available online at:

www.gov.ns.ca/legislature/members/cabinet/bar_net.html

